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Opening Statement Chairman Stephen Horn Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations September 19, 2002

A quorum being present, the subcommittees will come to order. Today the Subcommittee on Government Efficiency, Financial Management and Intergovernmental Relations is holding a joint hearing with the Subcommittee on Legislative and Budget Process of the House Rules Committee. I welcome my fine colleague Ms. Pryce, who chairs that subcommittee, and the distinguished members of both subcommittees.

Today's hearing is on the important subject of linking program funding to performance results. Washington policy-makers, both in the Executive Branch and Congress, devote an enormous amount of time each year deciding how to spend the taxpayers' money. However, much too little time is devoted to determining what that spending accomplishes.

We tend to measure success by how many job training programs we enact, how much money we appropriate for them, and how many training grants we award. We rarely look at what these programs actually achieve -- such as how many trainees actually obtain and retain jobs.

In recent years, the focus has begun to shift from process to results. The Government Performance and Results Act of 1993, appropriately called the "Results Act," provided the impetus for this change. However, the transition toward results-oriented, performance-based decision-making involves many challenges. And the pace has been slow.

Federal agencies are using their Results Act plans and reports to try to define and measure the results of their performance. Many agencies have made significant progress. However, an important link has been missing. Policy-makers have failed to establish a connection between performance results and their funding decisions. Until that link is firmly in place, the Results Act will remain largely a paperwork exercise, and the effectiveness of funding decisions will remain largely untested.

Fortunately, the current Administration is intent on establishing this link. President Bush designated Budget and Performance Integration as one of five governmentwide initiatives in his President's Management Agenda.

In furtherance of this initiative, the Office of Management and Budget has developed a "Program Assessment Rating Tool," known as "PART." We will hear much about this assessment tool today. During the fiscal year 2004 budget cycle, the PART process will be used to evaluate the performance of Federal programs that account for more than 20 percent of all Federal spending. In future budget cycles, these evaluations will be extended to all other Federal programs.

The PART process and the broader presidential initiative to integrate budgets and performance represent an important effort to launch the Federal Government on the road toward results-oriented, performance-based decision-making.

All of our outstanding witnesses today are important leaders in this quest. I welcome you and look forward to your testimony.

I am also pleased that another outstanding leader in this effort, Senator Fred Thompson, has submitted a written statement for the hearing. Senator Thompson wanted to join us today, but was unable to attend due to the press of Senate business. Without objection, his statement will be included in the record.

I now yield to my Co-chair of today's hearing, Ms. Pryce.